



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0407	Title:	Allocate funds to Libby asbestos medical plan
Primary Sponsor:	Vincent, Chas	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$1,041,279	\$1,033,199	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$1,041,279)</u>	<u>(\$1,033,199)</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

This bill will provide \$1,000,000 in general fund each year for FY 2008 and FY 2009 to county health boards in counties that have experienced a proliferation of tremolite asbestos-related disease.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

1. The amount of funding granted to county health boards is estimated at \$1,000,000 for FY 2008, and \$1,000,000 for FY 2009.
2. Grant funds will be contracted to county health boards in counties that have experienced a proliferation of tremolite asbestos-related diseases in their populations. The method in determining the grants will be based upon the administrative rules adopted by the Department of Public Health and Human Services (DPHHS). Through rule-making, DPHHS would need to establish a mechanism for county health boards to apply for funding, establish criteria for granting funds, establish criteria for patient and services eligibility, and establish standards for grantees to report on the services provided.
3. Reporting requirements will include patient identifiers, date(s) of service, types of screening (chest x-ray, computed tomography (CT) scan, spirometry, as well as other potential screenings as deemed necessary or prudent), results of screening, previous diagnosis, treatment given for asbestos-related disease, and other assistance provided.

4. The DPHHS will collate and evaluate the reports from the grantees, and prepare and submit a report (including estimates for future funding needs) to the Children, Families, Health, and Human Services Interim Committee.
5. Any DPHHS administrative costs will not be taken from the \$1 million annual appropriations for FY 2008 and FY 2009 included in the bill.
6. The DPHHS would be required to perform certain administrative functions to ensure that the funds are distributed fairly and that sufficient reports are received from the grantees as well as generate reports to be submitted.
7. This will require an additional 0.50 FTE for a human services specialist, at pay band 06, to perform the administrative oversight.
8. Salary and benefits for the 0.50 FTE are estimated at \$25,903 for FY 2008 & FY 2009.
9. Operating expenses, excluding rule writing, are estimated to be \$10,371 for FY 2008; and \$7,323 for FY 2009. These amounts are based on the following assumptions:
 - a. Rent allocation is estimated at \$1,096 for FY 2008 & FY 2009 (\$2,192 x 0.50 FTE).
 - b. Communication costs are estimated at \$1,500 annually.
 - c. Initial office equipment and computers for the FTE are estimated at \$2,775 for FY 2008 only.
 - d. Supplies cost is estimated at \$1,200 annually.
 - e. Printing and graphic costs for preparing a report furnished to the interim committee as outlined in the bill is estimated at \$300 for FY 2008 only. As outlined in the bill, no report is requested from the department to the interim committee for FY 2009.
 - f. No travel costs are assumed to be needed.
 - g. Indirect costs are estimated at \$3,500 annually.
10. Legal cost for drafting the appropriate rules related to granting authority to local county health boards is estimated at \$5,005 for FY 2008 only (\$65 per hour x 77 hours).

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$25,903	\$25,903	\$0	\$0
Operating Expenses	\$15,376	\$7,296	\$0	\$0
Benefits	\$1,000,000	\$1,000,000	\$0	\$0
TOTAL Expenditures	\$1,041,279	\$1,033,199	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,041,279	\$1,033,199	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,041,279)	(\$1,033,199)	\$0	\$0

Technical Notes:

1. HB 407 states that the money may be used only for grants for “programs that pay certain costs associated with annual screenings for asbestos-related diseases and who have medical needs that are not fully covered by a governmental, group, or individual health care plan.” The phrase, “certain costs” is ambiguous to the scope of services that are to be provided.
2. The bill states that the money will be utilized to assist individuals who have a positive result as determined by a qualified physician for asbestos-related diseases. The level of assistance is ambiguous to the scope of assistance that is to be provided.
3. There is no clear authorization in this bill allowing county health boards to sub-award the funds to private programs which provide the anticipated services. Therefore, it appears that the awarded funds could only be made to actual county-run programs providing the anticipated services, which probably do not exist at the county level because of the expertise needed to provide the service.
4. HB 407 requires a report outlining the number of participants assisted in the program from the department by June 30, 2008. If the report is not received by the interim committee by June 30, 2008, the FY 2009 appropriation is void. The turnaround timeframe to compile and review the data, the effort to generate a report, and the meeting schedule for the interim committee could make the FY2009 funding problematic.

Sponsor's Initials

Date

Budget Director's Initials

Date